

Plastics News

Chemres wins investment from Charter Oak

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Private equity firm Charter Oak Equity LP has invested in materials company Chemres LLC.

The two firms announced the recapitalization of Chemres in late January. Princeton, N.J.-based Chemres operates in compounding and related services, selling mainly into medical, packaging and wire and cable markets.

Paul Keimig, who founded Chemres in 1995, will remain the firm's president and CEO. The amount of Charter Oak's investment in Chemres and its ownership share was not disclosed.

In a news release, Keimig said that partnering with Westport, Conn.-based Charter Oak "will allow [Chemres] to continue to expand organically to meet the...requirements demanded in our markets." He added that the two firms "share the vision of growing the existing customer base in its core markets, while also looking to expand into...reactive extrusion, 3D printing filaments and other specialty segments."

Keimig also said that Chemres will be actively looking for companies that could serve as potential tuck-in acquisitions.

Chemres has experienced strong growth since beginning operations at a

former Nova Chemicals site in Chesapeake, Va., in 2008, according to Keimig. Last year, Chemres spent \$3 million to increase twin-screw compounding capacity there to more than 80 million pounds per year. That expansion created 16 new jobs.

The Chesapeake site also has 100 million pounds of annual capacity for blending and other services. Chemres also operates compounding operations in Jacksonville, Fla., and Guangdong, China.

In total, Chemres employs 40 and has annual sales of \$75 million.

Chemres “has built an outstanding reputation for manufacturing excellence and superior service among its client base, Charter Oak managing partner Mark Ullman said in the release. Managing partner Paul Roughan added that Charter Oak “is excited about building upon [Chemres’] unique medical-grade capabilities as a platform investment in the specialty polymer sector.”

Charter Oak’s investment in Chemres comes only about three months after the firm invested in flexible packaging firm Licaplast Industries Emballages Inc. of Saint-Laurent, Quebec. Licaplast management and investment firm Fonds de solidarité FTQ also invested in Licaplast at the time.

Officials with Charter Oak have said they want to use Licaplast as a keystone for its growth in the flexible packaging sector. Charter Oak previously owned injection molders Titan Plastics Group Inc. and Revere Plastic Systems LLC. The firm owned Titan from 1995-2005 and Revere from 2000-09.

Since 1992, Charter Oak has invested more than \$500 million in 30 portfolio companies through more than 50 acquisitions. The firm focuses on niche manufacturing, packaging, medical products & services, specialty chemicals, consumer products and financial services companies with up to \$150 million in enterprise value.

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